BRITISH COLUMBIA
The Best Place on Earth

BCStats

Infoline

Contact: bcstats.infoline@gov.bc.ca *Issue: 09-50* *December 18th, 2009*

- **CPI inches up 0.1% in November, driven by higher energy costs**
- **Manufacturing shipments rise 0.8% in October**
- **Shelter costs top the list of household expenditures in BC**

Prices

- **British Columbia's year-over-year inflation rate was 0.1% in November, marking the first 12-month increase since May.** Higher energy prices (+2.9%) were the reason for the increase in the overall price level. Excluding energy, the Consumer Price Index would have been down 0.2%.

  Although prices for fuel oil (-14.5%) and natural gas (-15.5%) continued to decline, drivers paid substantially more at the pump (+9.5%), pushing the cost of operating a vehicle up (+5.3%).

  The cost of shelter was down 3.0%, but food prices increased 1.5% over November 2008, as both grocery bills (+1.3%) and restaurant meals (+1.9%) were pricier.

  Costs for health & personal care (+2.1%) were also higher than in November last year. However, British Columbians did enjoy lower prices for clothing & footwear (-1.3%).

  The inflation rate in Vancouver (+0.2%) was slightly higher than the provincial average, while Victoria's CPI was unchanged (+0.0%) from November 2008. *Data Source: Statistics Canada*

- **The Canadian inflation rate was 1.0% in November, and British Columbians enjoyed the lowest overall increase in prices in the country.** Consumer prices rose in all provinces with New Brunswick (+2.2%) recording the highest rate in the country. *Data Source: Statistics Canada*

The Economy

- **Manufacturing sales in the province were up 0.8% (*seasonally adjusted*) in October, following a 2.5% increase in the previous month.** Non-durables got a substantial boost (+1.9%), as a result of stronger sales by food (+1.3%) and paper (+5.5%) producers. Makers of plastics & rubber (+2.7%) and printing (+2.5%) products also made gains. Lower sales by producers of many goods, including machinery (-1.1%), wood (-1.3%) and transportation equipment (-7.9%), acted to offset a 6.7% climb in the primary metal industry, leaving manufacturing sales of durables relatively flat (-0.5%) in October.

  Canadian manufacturing sales advanced 2.0% with the aerospace and petroleum & coal industries reporting the largest gains. Manufacturers in Quebec led the way in provincial gains, registering a 7.3% rise in sales.
  Data Source: Statistics Canada

- **Wholesale sales in BC strengthened (+1.2%, *seasonally adjusted*) in October, the first increase since June.** Six provinces saw improvements, with PEI (+4.0%) posting the most significant climb in sales. At the national level, sales were up 0.3%. *Data Source: Statistics Canada*

- **The number of new motor vehicles sold in British Columbia climbed 4.5% (*seasonally adjusted*) in October.** Nationally, sales were 3.5% higher with eight provinces experiencing an increase. Only PEI (-7.3%) and New Brunswick (-2.7%) recorded declines.
  Data Source: Statistics Canada

Household Spending

- **Spending by households in British Columbia averaged $73,120 in 2008, slightly more than the national average of $71,360.** Ontario ($77,310) and Alberta ($86,910) were the only

Report Tourism: 2009 Year-to-Date

Did you know...

Forty-four percent of British Columbians would be unwilling to give up alcohol to add five healthy years to their life. *Source: Ipsos Canada*

provinces where household expenditures were higher.

Taxes took the biggest bite ($14,599 nationally) out of the household budget in most provinces, but in BC, shelter ($15,201) costs were higher than personal tax bills ($13,668). Transportation ($10,107), food ($7,938) and recreation ($4,500) were the other major expenditure items. British Columbians spent less ($224, net, compared to $260 nationally) on games of chance than other Canadians, and were not quite as generous with gifts of money and contributions ($1,599 compared to $1,674). Spending on education was higher here ($1,259) than in any other province except Ontario and Alberta, and households in BC and Alberta paid more for health care than residents of any other province. *Data Source: Statistics Canada*

- **The most significant increases in average annual household spending in Canada last year were technologically based.** Spending on cell phones & other wireless services as well as Internet access (+6.1% each) was up substantially from 2007. Eighty-two percent of households in British Columbia reported having access to the Internet at home, more than in any other province. Nationally, average household spending on reading materials decreased 2.7% to $250, reflecting declines for magazines and periodicals (-9.6%), books (-0.9%) and newspapers (-2.3%).

For Canadian households in the top income quintile, personal taxes accounted for the biggest share (29%) of total household spending ($146,060), while shelter (16%) and food (8%) took smaller bites out of the household budget. Among households with the lowest incomes (averaging $ 22,860), taxes represented less than three percent of total spending, while far more of the household budget was allocated to shelter (31%) and food (17%). Together, food, clothing and shelter ate up 52% of the total household budget for these households, compared to 28% for those in the highest income quintile. *Data Source: Statistics Canada*

Police

- **As of May, 2009 there were nearly 8,500 police officers in the province, an addition of 335 officers since 2008.** The number of police per 100,000 population in BC (190) was 2.4% higher than last year. Among the province's largest cities, there were 3,527 police officers in Vancouver, just over 530 in Victoria and 256 in Abbotsford-Mission, which adds up to 155, 153 and 151 police officers per 100,000 population, respectively.

Despite the recent growth in BC's police force, the province remains well below the national per capita rate of 199 officers per 100,000 Canadians. With a rate of 207, Saskatchewan had the highest rate for police strength among the provinces, while PEI (166) had the lowest.

In 2009, slightly over a fifth (21%) of police officers in British Columbia were female, the second highest proportion of any province or territory (Quebec recorded 23% in 2009). The percentage of female police officers in Canada has been increasing steadily over the past few decades. While females represented just six percent of all police officers in the country in 1989, by 2009, their proportion had grown to 19%. *Data Source: SC Cat.#85-225-XIE*

Best wishes for a Merry Christmas and Happy New Year from all of us at BC Stats!

We're taking a break for the holidays. The next issue of Infoline will be The 2009 Index. Our regular format will resume on January 4th, 2010.

***Infoline** Issue: 09-50*
December 18th, 2009

For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

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December 2009
Issue: 09-10

Holiday Highlights, originally published as highlights for Exports on December 10th (data referenced is for October)

BC's Exports Have Gone From Bad to Verse

T'was two months before Christmas, and all through the land
BC's exporters were feeling none too grand.
Year-over-year exports were down 26 percent,
Negatively affected by the recessionary event.

The slump in exports was quite widespread,
With trade to most countries well in the red.
However, there was one exception of note,
As exports to Mainland China rose more than a mote.

Shipments to that country were 18% higher,
Helping the overall picture look somewhat less dire.
Wood, metals and quantities of coal measuring more than a lump
Were mainly responsible for the substantial jump.

While in BC's trade, China stood out as a jewel,
It proved to be the exception, rather than the rule.
Shipments fell 28% to the US and 41% to the EU,
And exports to Japan (-30%) and South Korea (-13%) dropped too.

Overall, there was a 26% drop in shipments of solid wood,
And elsewhere in the forest sector things also didn't look very good.
Compared to the first ten months of last year, pulp shipments continued to taper,
Slumping 32%, along with a 19% drop in exports of newsprint and other paper.

Down copper (-19%), down molybdenum (-55%), down aluminum (-38%) and zinc (-31%),
With falling exports of these causing overall metallic mineral shipments to sink (-33%).
International shipments of fabricated metal products (-34%) fared poorly too,
And exporters of machinery and equipment (-19%) also had less business to do.

Exports of energy products also were less,
Falling 32% in the face of the global financial mess.
With industrial production down worldwide,
The demand for energy underwent a bit of a slide.

A glut of supply dropped prices and demand for natural gas,
And a 42% decline in exports of that product came to pass.
International sales of electricity took a 58% hit,
While shipments of petroleum products (-13%) also fell a bit.

Year-to-date there was a 26% drop in exports of coal,
As once again the economic downturn took its toll.
Nevertheless, higher prices for that good continue to last,
Such that coal exports are still above levels seen in the past.

One of the few bright spots when the statistics are viewed
Was a 1% increase in exports of agriculture and food.
While the overall picture for exporters remains glum,
They can take solace that eventually better times will come.

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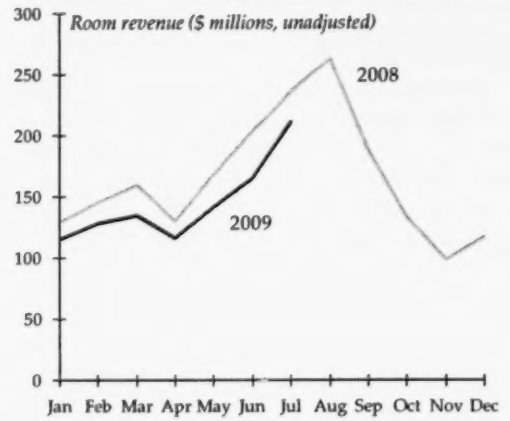
originally published in
Tourism Sector Monitor Issue 09-10

Tourism: 2009 Year-to-Date

Room revenues weak throughout first seven months of 2009

The Canadian economy entered into the current economic downturn in the fourth quarter of 2008. And even though news reports say that major global economies are on the road to recovery, activity in BC's accommodation industry is still below 2008 levels. The industry has faced challenges throughout the year, and year-to-date (January to July), room receipts are down 13.7% from 2008 levels.

Room revenues remain well below 2008 levels



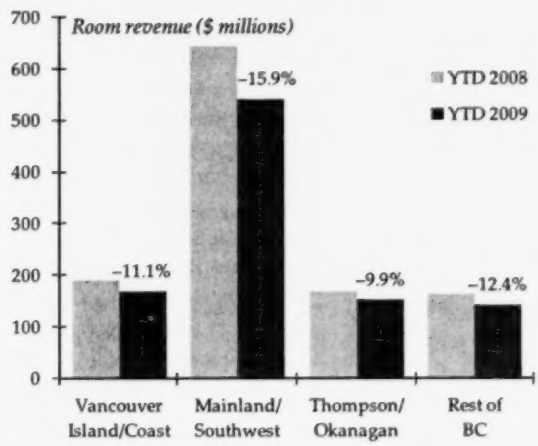
Data Source: BC Stats

Mainland/Southwest among the hardest hit regions

One of the regions hardest hit by the current downturn is Mainland/Southwest, which accounts for over half of all room revenues in the province. July year-to-date figures show the development region down 15.9% from the same period in 2008. Significant declines were registered in Vancouver Island/Coast (-11.1%) and Thompson/Okanagan (-9.9%) as well. Combined, the remaining five development regions saw a -12.4% slump in revenues compared to the first seven months of 2008.

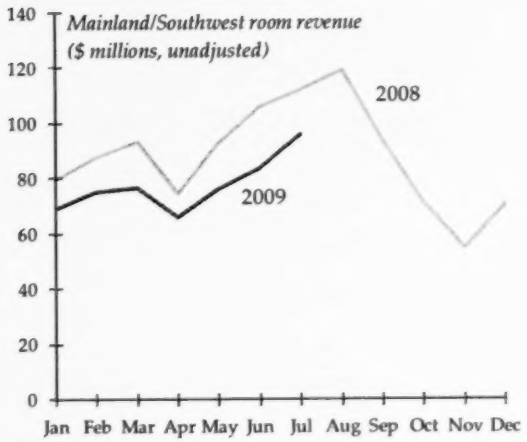
There are a number of factors contributing to Mainland/Southwest's comparatively weak performance. The Vancouver area is a common destination for business travellers. With companies and other organizations cutting back on discretionary travel, some operators in the region are likely seeing revenues from business travellers drop off. At the same time, leisure travel may have been reduced as some consumers have been cutting back on non-essential expenditures such as get-aways to the city.

All development regions are experiencing a slowdown in room revenues



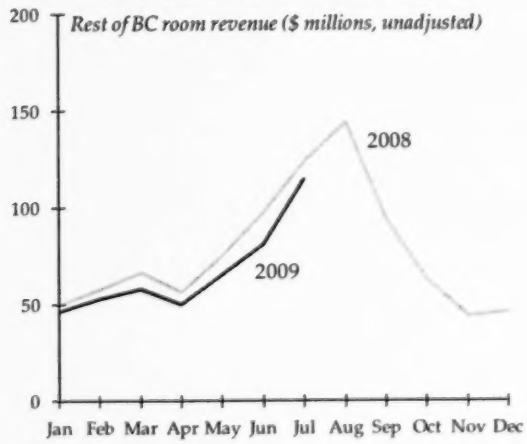
Data Source: BC Stats

Properties in Mainland/Southwest harder hit by the economic downturn...



Data Source: BC Stats

...than those in other parts of the province

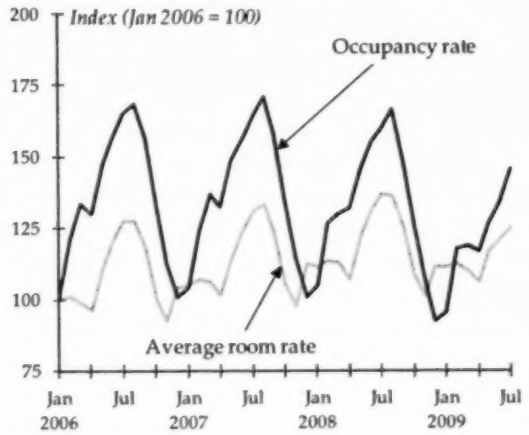


Data Source: BC Stats

Occupancy rates declining

Hotel occupancy rates reflect the downturn in the accommodation industry, remaining well below normal seasonal levels in recent months. The decline in occupancy rates has been much more marked than the downturn in room rates in the province. Occupancy rates began to slump (posting year-over-year declines) in March 2008, but average room rates fell for the first time in December 2008.

Occupancy rate buckled much more than average room rate during the recession



Data Source: Pannell Kerr Forster

Hotel revenues—contributing roughly three out of every four dollars in BC's accommodation revenues—fell 12.8% during the first seven months of 2008. However, other types of properties have also been affected. During the first seven months of 2009, motels (-15.6%) and other accommodation types (-16.5%) saw even bigger declines.

Looking ahead...

Room revenues in the province show clear seasonal patterns. They generally begin to rise in the spring, peaking in the summer months before slowing down in the fall. There is usually a slight upturn in December, when many families and individuals enjoy winter holidays during the period between Christmas and New Years.

While all regions of the province show seasonal variability in room revenues, Mainland/Southwest, which is home to many of the province's large hotels, generally does not experience as much revenue fluctuation throughout the year. It is almost as popular a travel destination during the winter months as it is in the summer

Even if the recession begins to loosen its grip on the BC economy, it is unlikely that room revenues will recover significantly throughout the latter half of the year. Preliminary data for August suggest that revenues increased only marginally in that month. With revenues remaining below 2009 levels throughout the peak travelling season, it would require a significant jump during the normally slow autumn months to push the industry into positive growth territory in 2009. This seems unlikely, given that many key economic indicators for the province are continuing to show considerable volatility.

Infoline

December 18, 2009
Issue 09–50

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BC at a glance . . .

POPULATION (thousands)	Jul1/2009	% change on one year ago
BC	4,455.2	1.6
Canada	33,739.9	1.2
GDP and INCOME (Revised Nov 9)		
(BC - at market prices)	2008	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	197,931	3.3
GDP *($ 2002 millions)*	164,520	0.0
GDP *($ 2002 per Capita) (reflects revised pop)*	37,529	-1.7
Personal Disposable Income *($ 2002 per Capita)*	25,931	3.2
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Oct	2,794	0.8
Merchandise Exports - Oct	1,952	3.2
Retail Sales - Sep	4,559	1.8
CONSUMER PRICE INDEX	% change on	12-month avg
(all items - Nov 2009)	one year ago	% change
BC	0.1	0.0
Vancouver	0.2	0.2
Victoria	0.0	0.2
Canada	1.0	0.3
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Nov '09	prev. month
Labour Force - BC	2,472	0.5
Employed - BC	2,267	0.4
Unemployed - BC	205	0.7
		Oct '09
Unemployment Rate - BC *(percent)*	8.3	8.3
Unemployment Rate - Canada *(percent)*	8.5	8.6
INTEREST RATES (percent)	Dec 16/2009	Dec 17/2008
Prime Business Rate	2.25	3.50
Conventional Mortgages - 1 year	3.60	5.60
- 5 year	5.59	6.75
US-CANADA EXCHANGE RATE	Dec 16/2009	Dec 17/2008
(avg. noon spot rate) Cdn $ per US $	1.0580	1.2058
(closing rate) US $ per Cdn $	0.9430	0.8356
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Nov '09	one year ago
BC	802.41	1.6
Canada	811.48	1.7

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

Historical Census Profiles

We have added detailed profiles for regional districts, municipalities, unincorporated areas and Indian reserves from the 1996 and 1991 censuses. Registration is required for access.

www.bcstats.gov.bc.ca/census.asp

Population Highlights - NEW

Population Highlights is a new BC Stats periodical that replaces both Migration Highlights and Immigration Highlights. This release provides detailed current information on population flows between British Columbia and other provinces/territories and the rest of the world, as well as other components of population change. Also, a feature article provides additional analysis on a topic of interest related to migration or immigration issues.

www.bcstats.gov.bc.ca/pubs/pr_pop.asp

Small Business Profile 2009

The 2009 Edition of the annual profile of small business in British Columbia is now available. The report provides information on British Columbia's small businesses, including number of businesses, employment and small business' contribution to the provincial economy.

www.bcstats.gov.bc.ca/data/bus_stat/busind/sm_bus.asp#sbp

Population & Household Projections

The latest British Columbia population projections (PEOPLE 34) are now available. BC Stats produces population and household projections for British Columbia and for a number of sub-provincial geographies in the province, including: Development Regions, Regional Districts, Health Authorities, Health Service Delivery Areas, Local Health Areas, College Regions, School Districts, and six Special Regions.

www.bcstats.gov.bc.ca/data/pop/pop/popproj.asp

Released this week by BC Stats

- Consumer Price Index, November 2009

Next week

- Business Indicators, December 2009
- Current Statistics, December 2009

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